

EU initiative banning products made with forced labour

Eurometaux's statement

In response to the **European Commission's [call for evidence](#)**, and in view of the "Communication on decent work worldwide" published in February 2022, Eurometaux would like to provide its views on the initiative on "*Effectively banning products produced, extracted or harvested with forced labour*", to be developed jointly by DG Trade and DG Grow.

Importance for our sector

Eurometaux believes the European Commission's initiative to **address products linked to forced labour originating in both EU and non-EU countries and prevent them from entering the EU internal market** is an important milestone to strengthen sustainable and responsible sourcing of minerals and metals throughout global value chains.

In this regard, our sector has already agreed on basic principles on due diligence in supply chains (see our [Position Paper](#) published in February 2021), also reiterated in our recent [feedback](#) to the Commission's proposal on Corporate Sustainability Due Diligence (CSDD), submitted on 23 May 2022. In our feedback, we called for a coherent and practical system, which ensures a **level playing field** for European companies while avoiding excessive burdens, which, we believe should also apply to all EU due-diligence frameworks, including the future EU instrument to ban forced labour products.

Filling a gap in EU and domestic laws

In terms of the due-diligence frameworks, our sector is highly regulated:

- 1) The minerals sector is affected by a number of legislation containing due diligence requirements where forced labour is already in scope. These include the EU Responsible Minerals Regulation (also known as Conflict Minerals Regulation), the proposed Battery Regulation and Corporate Sustainability Due Diligence Directive.
- 2) The due diligence requirements in the EU Responsible Minerals and the proposed Battery Regulation are underpinned by the requirements of the OECD Due Diligence Guidance for Responsible Minerals Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, where forced and compulsory labour is in the scope of Annex II.
- 3) Third-party audit programmes governed by the Responsible Minerals Initiative, the Copper Mark and the International Tin Association are aligned with the OECD Due Diligence Guidance.
- 4) In its 2022 report Monitoring corporate disclosure - Assessing company reporting on mineral supply chain due diligence, the OECD reports steady uptake in the use of the OECD Due Diligence Guidance. The report found that an upward trend in disclosure was noticeable across all minerals, with most nearly doubling their scores on the 5-steps Framework and on Annex II risk scope between 2014 and 2018.

In a view of this, a harmonization of the additional instrument with already existing legislation that contains due-diligence requirements is an essential element to creating a robust and well-functioning regulation.

Our key recommendations for the future EU instrument:

While the specific details of the initiative are not known yet, we would like to emphasise some key recommendations that should be taken into account in order to create an efficient and enforceable instrument:



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- As stated above, to ensure a **harmonised approach** with other pieces of legislation containing due diligence requirements which affect the minerals sector (i.e. EU Responsible Minerals Regulation, the proposed Battery Regulation, and the proposal for the Corporate Sustainability Due Diligence Directive)
- Clarify the **scope of the new instrument**, which goods are covered both inside and outside the EU, and how it will be implemented in combination with a robust enforcement framework
- Establish **clear guidance** to businesses who could be affected by the ban on how they can comply with it and, if necessary, challenge it. Provide clarity on who will monitor and enforce the proposed ban
- Promote **the tools available for businesses**, especially SMEs, to be able to monitor trends and conduct due diligence to identify, prevent and mitigate forced labour in their supply chains
- The proposed import ban should be introduced **as part of a broader framework** to address the root causes of forced labour, which include conflict, poverty, worker representation and discrimination
- An effective measure at the EU level is needed to **ensure a harmonised implementation** of a ban on placing products on the single market, as enforcement would be carried out by Member States' authorities. Guidelines should be provided by the Commission to encourage consistent enforcement across the Member States. The new instrument would build on international standards and complement existing sectoral EU initiatives, notably the **due diligence and transparency obligations**.
- Consider the learnings from import bans already imposed or also being considered in other jurisdictions, as for example, the USA, Canada and Australia
- To avoid some **unintended consequences**, like disengagement of the EU companies to invest in conflict-affected and high-risk areas (e.g. the Democratic Republic of Congo), thereby cutting off investment to improve the situation on the ground and impacting the EU's security of supply of critical minerals.

ABOUT EUROMETAUX

Eurometaux is the decisive voice of non-ferrous metals producers and recyclers in Europe. With an annual turnover of €120bn, our members represent an essential industry for European society that businesses in almost every sector depend on. Together, we are leading Europe towards a more circular future through the endlessly recyclable potential of metals.

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